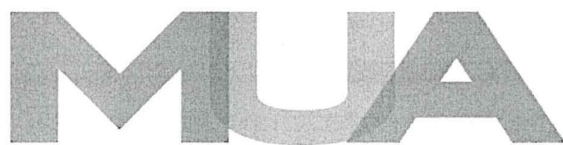


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**UNDERGRADUATE UNIVERSITY EXAMINATIONS**

**SCHOOL OF MANAGEMENT AND LEADERSHIP**

**DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP**

**BML 3205: REGIONAL INTEGRATION**

**DATE: 19<sup>th</sup>, AUGUST 2014**

**DURATION: 2 HOURS**

**MAXIMUM MARKS: 70%**

**INSTRUCTIONS:**

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided**

**QUESTION ONE**

Read the Case Study below carefully and, answer the questions that follow:

**AfDB Prioritizes Job Creation and Infrastructure Development in Kenya - Country Strategy Paper**

The Board of the Africa Development Bank Group (AfDB) on Wednesday, March 5, 2014 approved the **Country Strategy Paper (CSP) for Kenya**, which articulates the Bank's priority areas of support to Kenya from 2014-2018. The CSP supports the country's ambitions and addresses its main developmental challenges by promoting **job creation** as the overarching objective.

Bank lending during the CSP period aims to maximize **African Development Fund (ADF)** financing for Kenya, as well as explore ways of restructuring poorly performing operations in the portfolio or cancelling them, and redeploying freed-up resources to existing or new investments. AfDB is also revising its credit policy for non-concessional borrowing, allowing Kenya access to sovereign-guaranteed loans from the Bank's private-sector lending window.

The new CSP was prepared at a time when the country had concluded a peaceful political transition, launched the second National Medium Term Plan (MTP II) 2013-2017, embarked on a comprehensive devolution process and discovered oil, gas and coal deposits. It is aligned to the **Bank's Ten-Year Strategy 2013-2022**, its **Private Sector Strategy 2013-2017**, and the **Gender Strategy 2014-2018**.

"To achieve our main objective, we have designed the CSP around two main pillars," said Gabriel Negatu, Regional Director for the AfDB's East Africa Regional Resource Center. "We will continue to support the Government's effort to enhance physical infrastructure to unleash inclusive growth and secondly, develop skills for the emerging labour market for Kenya's transforming economy."

Under the **first pillar**, the AfDB will establish a more conducive environment for the private sector through investments in physical infrastructure. Specifically, investments in energy, transport and water will increase access to affordable and reliable electricity, improve transport connectivity, reduce transport cost and time, and enhance access to a reliable water supply. At the enterprise level, this will boost private-sector activity, increase productivity, stimulate structural transformation, and generate employment, thereby promoting gender-balanced inclusiveness. At the same time, households and vulnerable groups will benefit from improved infrastructure, which further strengthens inclusiveness.

Bank investments in the energy sector will aim to reduce the cost of electricity and make supply more reliable and accessible, thereby supporting the MTP II objectives to increase rural and urban access rates by 50% and reduce the cost of electricity by 50% by 2018.

The **second pillar** will focus on improving access to emerging technology-based labour markets and access to lower skills for the labour-intensive sectors. New Bank interventions under this pillar will prioritize support to Technical Vocational Education and Training (TVET) in order to develop mid-level skills of technicians



and artisans for current and emerging labour markets in both Kenya and the region, in line with the Government's TVET strategy.

Skills development programs will target the youth and persons living with disabilities, ensuring that at least 50% of all persons trained are women, thereby fostering gender equality and inclusiveness. TVET programs will also foster inclusiveness by enhancing girls' and women's access to science and technology subjects through incentives and other affirmative actions.

Enrolment in TVET mainly targets post primary and secondary school graduates in the 15 to 30 age bracket. The TVET will include apprenticeship programs and training focused on developing skills needed in infrastructure (roads, energy, water and ICT), where the skills mismatch is most pressing. The Bank under Pillar II will also help the Government to develop a National Sustainability Strategy with a special focus on preventive maintenance of education facilities and continued training of existing TVET tutors.

"Building on past achievements and deepening gains, this CSP is a continuation of the 2008-2013 CSP that focuses on growth, employment creation and infrastructure development," Negatu said. "However, it is innovative in that it mainstreams newly emerging themes, such as green and inclusive growth, as well as structural transformation. It also mainstreams gender equality. As a general principle, all new Bank investments will aim to generate employment, notably for youth and women; 'crowd-in' the private sector; promote regional integration; and mainstream gender.

**Required:**

- a) Define Regional Integration and give examples of Regional Integration blocks. (5marks)
- b) Explain 5 ways the Government of Kenya is going to benefit from funding of the Country Strategy Paper by AfDB. (10marks)
- c) In your opinion, how will the Technical Vocational Education and Training (TVET) benefit Kenya as a whole? (5marks)
- d) Explain 3 ways in which investment in the physical infrastructure will benefit the private sectors operations. (5marks)

**QUESTION TWO**

Regional Integration has been of great developmental benefit to the countries that have come together for such partnerships. Write brief notes on such developmental benefits in the following areas; (15marks)

- a) Food security
- b) Politics and Governance
- c) Environmental Sustainability
- d) Human Rights
- e) Women Empowerment